



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1411

industries for blind; repeal; successor

Purpose

Privatizes Arizona Industries for the Blind.

Background

The Arizona Industries for the Blind (AIB), as established under the Department of Economic Security (DES) by Title 41, Chapter 14, Article 1.1, trains and employs Arizonans who are blind. According to the DES website, AIB operates digital data scan services, a production services unit, a distribution services unit and three military base supply centers. At least 75 percent of AIB employees are blind (A.R.S. § 41-1973).

The Industries for the Blind Fund (Fund) is a nonreverting, revolving fund used to cover program costs, including employee wages and salaries, materials and equipment. The Fund receives revenue from AIB's product sales (A.R.S. § 41-1975).

Laws 2015, Chapter 195, effective July 1, 2016, transfers the administration of behavioral health services from the Division of Behavioral Health Services within the Department of Health Services to the Arizona Health Care Cost Containment System. S.B. 1411 includes changes conforming to this enacted 2015 provision but all substantive changes are specific to AIB.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Repeals, effective July 1, 2017, the Arizona Industries for the Blind (AIB).
2. Requires AIB to establish on or before July 1, 2017, a successor nonprofit corporation (successor).
3. Prohibits the state from acting or failing to act in a manner that would have adverse material impact on the business, assets or financial condition of AIB during the transition period.
4. Requires that AIB:
 - a) files the articles of incorporation for its successor;

- b) files paperwork to exempt it from taxation under section 501(c)(3) of the Internal Revenue Code; and
 - c) delegates to the successor the authority to pursue outside resources as necessary to be an independent, private nonprofit corporation.
5. Requires the successor, on or before June 30, 2017, to provide DES with evidence that any person with whom AIB contracts agrees to the successor's assumption of liabilities.
 6. Transfers to the successor, conditional upon satisfaction of evidence requirements, all assets and liabilities of AIB, except the real property owned by DES, located at 3013 West Lincoln Street, Phoenix, Arizona 85009.
 7. Requires that DES lease to the successor, on negotiated terms and conditions, the facilities located at 3013 West Lincoln St.
 8. Transfers to the successor, effective July 1, 2017, all unexpended and unencumbered monies in the Fund.
 9. Allows the successor to use *Arizona Industries for the Blind* in or as its name.
 10. Makes technical and conforming changes.
 11. Becomes effective on the general effective date, with delayed effective dates as noted.

Amendments Adopted by Committee of the Whole

- Changes the effective date from July 1, 2017, to the general effective date for provisions requiring the Arizona Industries for the Blind to establish its successor nonprofit corporation and facilitate the transition before July 1, 2017.

Senate Action

| | | | |
|------------|------------|-----|--------|
| CWD | 02/15/2016 | DP | 7-0-2 |
| Third Read | 02/25/2016 | DPA | 28-0-2 |

Prepared by Senate Research

February 26, 2016

GH/LB/rf